

324.236 Engaging in commercial real estate brokerage by out-of-state principal broker and out-of-state licensee.

An out-of-state principal broker and his or her out-of-state licensee, for or in the expectation of a fee, commission, compensation, or other valuable consideration, may engage in real estate brokerage with respect to commercial real estate if the requirements of this section are satisfied:

- (1) The out-of-state licensee shall be licensed with and work under the direct supervision of the out-of-state principal broker;
- (2) The out-of-state principal broker shall enter into a written cooperation agreement with the Kentucky cooperating broker that shall include but not be limited to the following:
 - (a) The terms of cooperation and compensation between the out-of-state principal broker and the Kentucky cooperating broker;
 - (b) A description of the parties, the commercial real estate, or other information sufficient to identify the specific transactions governed by the cooperation agreement; and
 - (c) The effective date and a definite termination date of the cooperation agreement; and
- (3) Regarding transactions that fall within the scope of the cooperation agreement specified in subsection (2) of this section, the out-of-state principal broker and the out-of-state licensee shall:
 - (a) Work in cooperation with a Kentucky cooperating broker;
 - (b) Furnish the Kentucky cooperating broker with a copy of the out-of-state principal broker's and out-of-state licensee's current real estate license from the jurisdiction of his or her primary place of business;
 - (c) Limit acts of real estate brokerage to commercial real estate transactions referenced in the cooperation agreement;
 - (d) Only list commercial real estate located in this state for sale, lease, or exchange if the real estate is co-listed with the Kentucky cooperating broker;
 - (e) Be prohibited from holding escrow funds, security deposits, or other moneys in escrow or other accounts located outside this state;
 - (f) Promptly provide the Kentucky cooperating broker with relevant documentation relating to the specific transaction or transactions governed by the cooperation agreement;
 - (g) Keep the Kentucky cooperating broker fully informed of all activities through prompt communications;
 - (h) Perform all actions under the direct supervision and control of the Kentucky cooperating broker;
 - (i) List his or her individual name, firm name, or both in advertising for commercial real estate transactions only if the advertising:

1. Includes with equal prominence the same identifying information for the Kentucky cooperating broker and his or her relevant licensees, except that, with respect to multistate portfolio listings, only the name or firm of the Kentucky cooperating broker printed in legible type shall be mandatory, with no requirement concerning prominence; and
 2. Otherwise complies with the requirements of this chapter;
- (j) Comply with and be bound by and subject to Kentucky law and the regulations of the commission, including but not limited to KRS 324.235 to 324.238;
 - (k) Not engage in improper conduct as set out in KRS 324.160(4); and
 - (l) File with the Kentucky cooperating broker a true and complete notice of affiliation in compliance with KRS 324.327.

Effective: July 15, 2008

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